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October 18, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

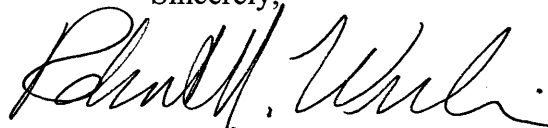
Re: Boston Edison Company, D.T.E. 01-78 (Phase II)

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses of Boston Edison Company d/b/a NSTAR Electric to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin", written in a cursive style.

Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

Information Request DTE-4-1

Information Request DTE-4-2

Information Request DTE-4-1

In reference to Article 2.2 of the Settlement at 2, as well as responses to Information Requests AG-1-9 [errata] and AG-1-6, please provide and describe all supporting documentation, including any prior Department approval(s), used as the basis for the formula applied to calculate the entries of Exhibit BEC-BKR-2 (Settlement) at 6, Column H.

Response

The securitization true-up, Exhibit BEC-BKR-2 (Settlement) at 6, is a reconciliation of remittances sent to the trustee representing RTC charges to fixed component collections represented in the transition charge. Consistent with the Department Order approving the Boston Edison rate reduction bonds in D.T.E. 98-118, remittances to the "special purpose entity" are net of charge-offs. The calculation in Column H is simply including those charge-off amounts in each year so that the total RTC amount can be compared to fixed component collections. The charge-off amounts in column H reflect rates in the Routine True-Up letters (provided as attachments to Information Request AG-1-6).

The annual reconciliation of charge-offs was specifically approved by the Department in its Financing Order in D.T.E. 98-118:

Boston Edison's allowance for estimated RTC Charge charge-offs is its system-wide allowance for charge-offs, adjusted to take into consideration estimates of partially paid bills. Given the relative size of the RTC Charge to the overall tariff rates for services, partially paid bills are deemed to have satisfied the RTC Charge amount in full. Boston Edison will reconcile such remittances at least once annually for all remittances made in the previous year with the SPE trustee to more accurately reflect the amount of RTC Charges that should have been remitted, based on the actual system-wide charge-off percentage, which is adjusted again for estimates of partially paid bills. The Department approves Boston Edison's remittance procedure, with estimated charge-offs relating to RTC Charges and reconciliation of remittances, and finds that such remittance procedure, based on Boston Edison's accounting and billing information systems capabilities, is an economical and cost effective method of identifying to a useful degree of certainty

the actual RTC Charge collections and complies with the provisions of G.L. c. 164, s. 1H(b)(1).

D.T.E. 98-118, Appendix 1, at 27. See, also id., at 9-11, 54.

Information Request DTE 4-2

Please explain all differences between Exhibits BEC-BKR-1(Settlement), BEC-BKR-2 (Settlement), BEC-RAP-1 (Settlement) and Exhibits BEC-BKR-1 (Supp), BEC-BKR-2 (Supp), BEC-RAP-1 (Supp), filed on February 8, 2002.

Response

On October 7, 2002, Boston Edison Company d/b/a NSTAR Electric (the "Company") filed with the Department of Telecommunications and Energy (the "Department"): (1) the Joint Motion for Approval of Settlement Agreement; and (2) the Settlement Agreement entered into by Boston Edison Company and the Attorney General (the "Settling Parties") in the above-referenced matter. As described in Paragraph 2.2 of the Settlement Agreement, Exhibit BEC-BKR-1 (Settlement), Exhibit BEC-BKR-2 (Settlement) and Exhibit BEC-RAP-1 (Settlement) (together, the "Settlement Exhibits") differ from Exhibit BEC-BKR-1 (Supp), Exhibit BEC-BKR-2 (Supp) and Exhibit BEC-RAP-1 (Supp) (the "Supplemental Exhibits"), filed on February 8, 2002, to correct an error in the calculation of interest in the securitization reconciliation and to include some minor updates to booked accounts. To provide a clear roadmap of all changes made to the prefiled Supplemental Exhibits, the following table describes each change made, as reflected in the final Settlement Exhibits.

Because changes to Exhibit BEC-BKR-2 (Settlement) flow through to Exhibit BEC-BKR-1 (Settlement), changes made to Exhibit BEC-BKR-2 (Settlement) are described initially. The following chart provides a narrative description of the changes made from Exhibit BEC-BKR-2 (Supp) to Exhibit BEC-BKR-2 (Settlement).

Exhibit BEC-BKR-2 (Settlement)
(changes made from Exhibit BEC-BKR-2 (Supp))

Page, Row and Column Entry	Exh. BEC-BKR-2 (Supp) \$ in millions	Exh. BEC-BKR-2 (Settlement) \$ in millions	Explanation for Change
Page 1, line 3, column 2	(3.877)	(3.815)	Reflects true-up for actual credit received 12/29/2000 for 2000 NEIL Insurance (see Exh. BEC-BKR-2 (Settlement), page 3 of 7.
Page 1, line 3, column 4	28.332	28.346	Adjustment to reflect 2001 actual wholesale revenue, per DTE 1-18.
Page 1, lines 1-3, column 5	2,199 1,872 5,521	2,530 2,644 6,268	Adjustment per AG 1-9 [errata], reflecting reconciliation of the Transition Charge true-up based on actual cash receipts adjusted for charge-offs into the Securitization Fund.
Page 1, lines 1-3, column 7	39,057 42,128 41,433	39,388 42,775 42,257	These changes to the Totals occur because of the changes made in columns 2, 4 and 5, as described above.
Page 5, line 1, column 2001	75,937	75,923	Actual revenues per DTE 1-18, as compared to amount provided in Exh. BEC-BKR-2 (Supp).
Page 5, line 4, column 2001	28,332	28,346	The change in line 1 flows through to line 4 (line 4 = (line 2 + line 3) minus line 1)
Page 6, lines 1999, 2000 and 2001, column H	Column H data not included in Exh. BEC-BKR-2 (Supp)	0.331 0.772 0.747	See Company Response to Information Request DTE 4-1.
Page 6, lines 1999, 2000 and 2001, column I	Column G in Exh. BEC-BKR-2 (Supp) 49.021 114.496 110.707	 49.352 115.268 111.454	See Company Response to Information Request DTE 4-1 for explanation of column H. New column I is calculated as the sum of column G and column H.
Page 6, lines 1999, 2000 and 2001, column K	2.199 1.872 5.521	2.530 2.644 6.268	See Company Response to Information Request DTE 4-1 for explanation of column H. Column K recalculated in Exh. BEC-BKR-2 (Settlement) as column I minus column J.

Exhibit BEC-BKR-1 (Settlement)
(changes made from Exhibit BEC-BKR-1 (Supp))¹

Page, Row and Column Entry	Exh. BEC-BKR-1 (Supp)	Exh. BEC-BKR-1 (Settlement)	Explanation for Change
Page 4, lines 1, 2 and 3, column F	39,057 42,128 41,433	39,388 42,775 42,257	Changes carried forward from Exh. BEC-BKR-2, page 1, column 7 (see above explanation).
Page 4, line 3, column B	428,299	428,086	Revised actual power obligations based on HQ Energy Line Usage credit, as reflected in Exh. BEC-RAP-1 (Settlement) page 5 of 8, line 11.
Page 4, line 3, column C	455,218	455,235	Revised Exh. BEC-RAP-1 (Settlement), page 4 of 8, line 16.
Page 4, line 3, column D	(26,920)	(27,149)	Change caused by recalculation of column B minus column C.
Page 4, lines 1, 2 and 3, column I	201,635 222,679 14,513	201,965 223,327 15,107	Change to total column caused by changes made to entries for columns D and F.
Page 1, lines 2003, 2004 and 2005, column C	1.556 1.451 1.791	1.570 1.449 1.793	New entries for column J result in changes to column C because column C = column J divided by column B.
Page 1, lines 2003 2004 and 2005, column D	235.331 223.781 281.739	237.444 223.448 282.095	Entries for column D revenues change as a result of changes made to column J (column J = column D).
Page 1, lines 1999, 2000 and 2001, column F	201.635 222.679 14.513	201.965 223.327 15.107	See explanation for Page 4, lines 1, 2 and 3, column I, above (column I entries are the same as column F).
Page 1, lines 2004 and 2005, column G	10,240 6,263	9,907 6,619	Changes carried forward from Exh. BEC-BKR-1, page 5, column E.
Page 1, lines 2000, 2001, 2002 and 2003, column H	(81,522) (15,390) (37,905) (3,029)	(81,191) (14,376) (36,187) (1,123)	Changes occur because column H reflects entries in column K for the prior year, and column K entries change based on the formula: column K = column D minus column J.
Page 1, lines 2000, 2001, 2002 and 2003, column I	(8,870) (1,674) (4,124) (0.330)	(8,834) (1,564) (3,937) (0.122)	Changes to column I occur because of changes to column H (column I = column H times 10.88% carrying charge).
Page 1, lines 1999, 2000, 2001, 2002, 2003, 2004	287,415 252,788	287,746 253,802	Changes to column J reflect changes made to columns E through I, as

¹ Because entries in later pages of Exhibit BEC-BKR-1 flow through to earlier pages, the explanations for changes made to Exhibit BEC-BKR-1 (Supplement) begin with page 4 of 5.

Page, Row and Column Entry	Exh. BEC-BKR-1 (Supp)	Exh. BEC-BKR-1 (Settlement)	Explanation for Change
and 2005, column J	155,101 238,309 235,331 223,781 281,739	156,819 240,215 237,444 223,448 282,095	described above. Column J = sum of column E through column I.
Page 5, lines 6, 7 and 8, column B	1.560 1.447 1.791	1.570 1.449 1.793	Changes flowthrough from page 1, column C.
Page 5, line 11, column C	1.84	1.85	Cumulative effect of changes made in lines 6, 7 and 8, column B.
Page 5, line 7, columns D, E and F	As set forth	As set forth	Changes reflect flowthrough from changes to Column B.
Page 1, lines 1999, 2000, 2001 and 2002, column K	(81,522) (15,390) (37,905) (3,029)	(81,191) (14,376) (36,187) (1,123)	Changes to column K reflect changes to column J (described above) (column K = column D minus column J).

**Exhibit BEC-RAP-1 (Settlement)
(changes made from Exhibit BEC-RAP-1 (Supp))²**

Page, Row and Column Entry	Exh. BEC-RAP-1 (Supp)	Exh. BEC-RAP-1 (Settlement)	Explanation for Change
Page 6, line 2, Nov 2001	--	(14)	Change reflects correction to actual short-term sales credit.
Page 6, line 5, Sept. and Nov. 2001	-- --	12 (15)	Change reflects correction to actual miscellaneous transmission expense.
Page 6, column: Total	171,163	171,145	Total changes as a result of changes made to lines 3 and 5.
Page 5, lines 11 and 14, Nov 2001	-- 37,153	(212) 36,941	Change reflects updated HQ Energy Line Usage Credit to Company.
Page 5, line 14, column: Total	428,299	428,086	Change in total results from change to line 11, Nov 2001
Page 4, line 15, columns July through December	As set forth	As set forth	Change caused by corrections to actuals on page 6, line 2 and 5 (described above); and resulting adjustment to settlement price to eliminate standard offer deferral.
Page 4, line 16	As set forth	As set forth	Change reflects flowthrough from changes in line 15.
Page 2, line 3	As set forth	As set forth	Change reflects flowthrough from page 4, line 15 computed in Note A.
Page 2, line 4	As set forth	As set forth	Change reflects changes to line 3 (line 4 = line 1 minus line 3).
Page 2, line 5, column: Total	2,198	2,199	Small adjustment in deferral throughout year resulting in small adjustment to interest.
Page 2, line 6	As set forth	As set forth	Changes reflect changes to line 4 and 5, as described above.
Page 1, line 1	As set forth	As set forth	Changes reflect flowthrough from page 2, line 6.
Page 1, line 3	As set forth	As set forth	Changes reflect flowthrough from line 1 (line 3 = line 1 plus line 2).

² Because entries in later pages of Exhibit BEC-RAP-1 flow through to earlier pages, the explanations for changes made to Exhibit BEC-RAP-1 (Supplement) begin with page 6 of 8.